ABSTRACT

The research focuses on trust and managerial performance. It compares the level of trust and managerial performance across public and private sector organizations. It explores this phenomenon within the context of communication and banking industry.

Trust has been defined as one’s willingness to be vulnerable to another based on the confidence that the other is benevolent, honest, open, reliable, and competent. In brief, trust has been defined as the extent to which one is willing to rely upon and make oneself vulnerable to others.

Trust has been found to play a significant role in the corporate world. Studies have been carried out which relate presence of trust to enhanced team spirit, to more effective communication within organizations and its impact on organizational culture. Studies have been carried out to evaluate trust as an element of managerial performance.

Managerial performance has long been of interest to organizations and researchers. Managerial performance has long been considered critical to the success of an organization. Different perspectives have been proposed for judging managerial performance. This research study presents a summary of three perspectives used for assessing managerial performance namely, a traditional perspective, a strategic management approach, and an individual level competency-based approach. This study has used the individual level competency-based approach to assess managerial performance.
This research seeks to measure and compare trust across public and private organizations. It explores how attributes of trust vary across public and private sector, compares managerial performance in public and private sector and recommends measures to improve trust levels and managerial performance.

For the study, a sample of 160 respondents was selected from four organizations, two each from the public and private sector. Two of these organizations belong to the banking industry (one public and the other private) and the other two belong to the communications industry (one public and the other private). Respondents were selected across various functional areas like finance, sales & Marketing, personal loans, switching, customer core, human resource management. All age groups were adequately represented.

Eight hypotheses were framed for measuring the level of trust. Responses were collected using trust orientation profile developed by Chartier (1991). Responses were marked on a bi-polar scale which helped in reducing subjectivity of responses.

Managerial performance was evaluated using the Competing Values Framework developed by Quinn (1990), which identifies eight distinct managerial roles and rates managers’ performance on these eight roles. Best performing managers are considered Master Managers. Master Managers are able to balance each of these eight roles and do not spend too much or too little time on any one role. Statistical tools were used to appropriately help analyze the findings.

Higher level of trust was reported in the private sector than the public sector. Out of twelve trust attributes, scores for six attributes - expert, genuine, mutual,
cooperative, accepting & warm and supportive were found to be significantly different between public and private sector. Scores of only two attributes - genuine and cooperative were found to be higher for the public sector, the scores for the remaining four attributes were found to be higher for the private sector.

Significant difference for these trust attributes was also reported when public and private organizations in banking and communication were compared. Trust levels were found to be higher for private organizations in both banking and communication industry.

Age is found not to have a significant bearing on trust. Age wise analysis revealed significant difference, for only two attributes i.e., expert and mutual.

Findings on managerial performance also revealed that the private sector is better placed on this account than the public sector. Managers in the private sector emerge as Master Managers with all the eight managerial roles in balance. Public sector managers tend to emphasize on each role individually and their performance is not balanced on the eight roles. They tend to use more of those roles that lie in the rational goal model and the internal process model at the expense of the open model and the human relations model.

These findings are also repeated for the specific case of banking and communication industry. Managerial performance is found to differ significantly across age groups on only two roles i.e., producer and coordinator.

The nature of research tools used in this study did not allow us to specifically calculate the correlation between trust and managerial performance. However, we see that when trust is high, managerial performance is better and vice-
versa, so the researcher infers that there is a positive relationship between the two.

It is recommended that awareness and training programs should be conducted to increase trust in the public sector. Public sector managers also need to be educated on the need to balance each of the eight distinct managerial roles. Stress on just a few roles may not make them a successful manager.

The study has its share of limitations. The scope is limited to two industries. The study has limitation of sample size also although care has been taken to draw a representative sample.

Future researchers may use the same approach to study trust and managerial performance across other organizations and industries.